

Washington, DC – Today at a Ways and Means Select Revenue Measures Subcommittee hearing, Congressman Blumenauer (D-Ore.) spoke about two of his proposals that offer tax incentives for renewable energy and energy conservation. Congressman Blumenauer, a Member of the Ways and Means Committee, Budget Committee and Select Committee on Energy Independence and Global Warming, testified on his Bike Commuter Act, H.R. 1498, and the Rural Wind Energy Development Act, H.R. 1772, both introduced earlier this year. An abbreviated version of Congressman Blumenauer's testimony follows:

I appreciate the opportunity to discuss the ways that we can reform the tax system to spur innovation, save energy, and make our communities more livable. Unfortunately, current tax policy takes us in the wrong direction, valuing wasteful and dirty energy generation by 5 to 1 – if not more – over clean, renewable technology.

I'd like to lay out a series of principles that I hope can guide our action on the issue and serve as a screen to make sure all of our work takes us in the right direction on carbon. We need to make the tax code carbon neutral at least, level the playing field for energy sources, give adequate time and certainty for tax credits, and look for opportunities to promote carbon reduction and energy efficiency through our trade policies.

We can start by commissioning a carbon audit of the tax code, and I am drafting legislation to have the National Academy of Sciences convene a panel of experts to look at the tax code and identify activities that impact our carbon emissions.

Last month, I introduced H.R. 1772, the Rural Wind Energy Development Act. This legislation would provide an investment tax credit that would help individuals offset the high upfront cost of installing a wind turbine, which creates clean, renewable energy.

The tax credit would be available to homeowners, farmers, and small businesses. It would allow these individuals to generate their own power, independent from the electric grid. They would be able to cut their energy bills and, at times, put power back into the grid.

There is an existing investment tax credit available to homeowners who install small solar

systems, which has been very successful in increasing the number of solar panels installed. This bill would simply expand that to include wind.

I am pleased that H.R. 1772 currently has 23 bi-partisan co-sponsors, including the Chairman of the Ways and Means Committee, Charlie Rangel.

Another piece of legislation I would like to highlight is H.R. 1498, which would address not the production of energy but the use of oil. The "Bike Commuter Act" would extend the transportation fringe benefit to bike commuters, rewarding commuters who burn calories instead of gas.

Currently, employers may offer a transportation fringe benefit to their employees for certain costs incurred while commuting to work. Employees who take advantage of this benefit may receive a tax-exempt benefit of up to \$215/month for drivers participating in qualified parking plans or \$110/month for those who use transit or vanpooling. Current law also allows the option of taking cash compensation. My legislation aims to balance the incentive structure by extending the transportation fringe benefit to include bicycling.

With over 50 percent of the population commuting 5 miles or less to work, incentives for bicycle commuting have great potential to reduce single occupancy vehicle trips. I believe this is the type of message that Congress should be sending to our communities through the tax code: that we support efforts to reduce energy consumption, ease traffic congestion, and encourage healthy activities as part of our daily routines.

According to calculations from the group Bikes Belong, there were more bikes than cars sold in 2005. Every year the average bike commuter saves more than 7 barrels of crude oil.

I look forward to working with this Committee to craft legislation that will take us a big step in the right direction in addressing climate change and energy independence.